

SECRET

11 February 1955

MEMORANDUM FOR: General Tax File

SUBJECT : Deduction for Dependent - Inclusion of Non-Taxable
Pension in Determining Percentage of Support

1. In determining whether an individual can be taken as a dependent deduction where the taxpayer provides the individual with all funds other than that received from a tax-exempt pension, the pension must be included for purposes of computing the % of the taxpayer's support for the year. This is so regardless of the fact that the pension is itself tax-exempt and would not be considered gross income of the dependent.

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Assistant General Counsel

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